



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

King County Forecast Council

*Members: Dow Constantine, King County Executive; Kathy Lambert, King County Councilmember;
Joe McDermott, King County Councilmember;
Dwight Dively, Director, Office of Performance, Strategy and Budget
Staff: David Reich, Chief Economist*

3:00 PM

Wednesday, July 25, 2012

Room 1001

SPECIAL MEETING

1. Call to Order
2. Roll Call
3. Approval of Minutes of May 31, 2012

Discussion and Possible Action

4. KCFC Resolution No. KCFC2012-05

A RESOLUTION adopting the 2013 economic forecast for King County.

Adjournment



*Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).
TDD Number 206-1024.
ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.*





King County

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516 Third Avenue
Seattle, WA 98104

Meeting Minutes - Draft King County Forecast Council

Members: Dow Constantine, King County Executive; Kathy Lambert, King County Councilmember;
Joe McDermott, King County Councilmember;
Dwight Dively, Director, Office of Performance, Strategy and Budget
Staff: Anthony Cacallori, Interim Chief Economist

2:00 PM

Thursday, May 31, 2012

Room 1001

SPECIAL MEETING

1. Call to Order

The meeting was called to order at 2:10 p.m.

2. Roll Call

Present: 4 - Mr. Constantine, Mr. Dively, Ms. Lambert and Mr. McDermott

3. Approval of Minutes of March 7, 2012

Boardmember McDermott moved approval of the minutes of March 7, 2012, as presented. The motion passed unanimously.

Discussion and Possible Action

4. Interview of candidates for Chief Economist

Pat Hamacher, Council staff, briefed the Council on the process for interviewing the candidates for the chief economist position.

The Council interviewed Thomas Kirn for the position.

The Council interviewed David Reich for the position.

*The Forecast Council went into executive session at 2:45 p.m. to evaluate the qualification of applicants for public employment, RCW 42.30.110.
The Forecast Council came out of executive session at 3 p.m.*

5. KCFC Resolution No. KCFC2012-04

A RESOLUTION appointing _____ as the chief economist for King County in accordance with Section 425 of the King County Charter.

Councilmember Lambert moved to amend the resolution to insert the name "David Reich".

A motion was made by Member McDermott that this KCFC Resolution be Passed as Amended. The motion carried by the following vote:

Yes: 4 - Mr. Constantine, Mr. Dively, Ms. Lambert and Mr. McDermott

Adjournment

The meeting was adjourned at 3:05 p.m.

Approved this _____ day of _____.

Clerk's Signature



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 23, 2012

KCFC Resolution

Proposed No. KCFC2012-05.1

Sponsors

A RESOLUTION adopting the 2013 economic forecast for
King County.

BE IT RESOLVED BY THE FORECAST COUNCIL OF KING COUNTY:

WHEREAS, the King County Charter requires the chief economist to prepare and submit an updated official economic and revenue forecast at least one hundred-seventy days prior to the end of each year to be used as the basis for the proposed budget, and

WHEREAS, the chief economist has prepared both preliminary and an updated forecast for 2013,

NOW, THEREFORE, BE IT RESOLVED BY THE KING COUNTY
FORECAST COUNCIL:

The forecast council hereby adopts the 2013 economic and revenue forecast,
prepared in July, 2012, as set forth in Attachment A to this resolution.

KING COUNTY FORECAST COUNCIL
KING COUNTY, WASHINGTON

Dow Constantine, Chair

ATTEST:

Anne Noris, Clerk of the Council

Attachments: A. 2013 economic and revenue forecast

July 2012 King County Economic and Revenue Forecast
Office of Economic and Financial Analysis
July 25, 2012

1	Contents
2	Countywide Assessed Value
3	Unincorporated Assessed Value
4	Countywide New Construction
5	Unincorporated New Construction
6	Sales and Use Taxbase
7	Local and Option Sales Tax
8	Metro Transit Sales Tax
9	Mental Health Sales Tax
10	Criminal Justice Sales Tax
11	Hotel Sales Tax
12	Rental Car Sales Tax
13	Real Estate Excise Tax (REET 1)
14	Investment Pool Nominal Rate of Return
15	Investment Pool Real Rate of Return
16	National CPI-U
17	National CPI-W
18	Seattle CPI-U
19	Seattle CPI-W
20	COLA Comparison
21	Pharmaceuticals PPI
22	Transportation CPI
23	Retail Gas Prices
24	Diesel Wholesale Prices
25	Recorded Documents

July 2012 Countywide Assessed Value Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	166,321,207,561	-	0.00%
2001	188,420,103,817	13.29%	0.00%
2002	210,996,600,853	11.98%	0.00%
2003	224,994,598,207	6.63%	0.00%
2004	235,834,254,382	4.82%	0.00%
2005	248,911,782,322	5.55%	0.00%
2006	270,571,089,672	8.70%	0.00%
2007	298,755,199,059	10.42%	0.00%
2008	340,995,439,590	14.14%	0.00%
2009	386,889,727,940	13.46%	0.00%
2010	341,971,517,510	-11.61%	0.00%
2011	330,414,998,630	-3.38%	0.00%
2012	319,460,937,270	-3.32%	0.00%
2013	310,439,870,319	-2.82%	-1.60%
2014	320,180,704,716	3.14%	-2.81%
2015	329,262,807,839	2.84%	-3.88%
2016	341,486,598,431	3.71%	-3.78%
2017	356,864,963,523	4.50%	-2.84%
2018	370,847,640,092	3.92%	-4.74%
2019	387,746,296,538	4.56%	-4.69%
2020	406,424,386,125	4.82%	-5.27%

Notes:

1. Includes both taxable and non-taxable value.

July 2012 Unincorporated Assessed Value Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	26,820,808,300	-	0.00%
2001	29,495,903,550	9.97%	0.00%
2002	31,855,880,320	8.00%	0.00%
2003	34,121,588,670	7.11%	0.00%
2004	36,002,180,790	5.51%	0.00%
2005	38,388,375,100	6.63%	0.00%
2006	41,286,880,590	7.55%	0.00%
2007	45,145,645,420	9.35%	0.00%
2008	50,369,419,770	11.57%	0.00%
2009	52,536,624,390	4.30%	0.00%
2010	43,743,564,380	-16.74%	0.00%
2011	39,449,376,050	-9.82%	0.00%
2012	32,758,485,327	-16.96%	0.00%
2013	29,195,152,004	-10.88%	-8.92%
2014	29,131,296,899	-0.22%	-6.70%
2015	27,478,041,660	-5.68%	-15.31%
2016	28,450,970,554	3.54%	-2.15%
2017	29,659,609,067	4.25%	-0.99%
2018	30,623,961,363	3.25%	-3.38%
2019	31,812,431,513	3.88%	-3.37%
2020	33,184,813,199	4.31%	-4.15%

Notes:

1. Includes taxable value only
2. Unincorporated assessed values are affected by annexations (see page 26)

July 2012 Countywide New Construction Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	3,476,506,080	-	0.00%
2001	3,865,600,000	11.19%	0.00%
2002	4,430,600,000	14.62%	0.00%
2003	3,719,900,000	-16.04%	0.00%
2004	4,201,000,000	12.93%	0.00%
2005	4,292,400,000	2.18%	0.00%
2006	4,964,300,000	15.65%	0.00%
2007	5,950,400,000	19.86%	0.00%
2008	6,663,100,000	11.98%	0.00%
2009	8,005,200,000	20.14%	0.00%
2010	5,205,200,000	-34.98%	0.00%
2011	2,581,310,544	-50.41%	0.00%
2012	2,438,206,813	-5.54%	0.00%
2013	2,639,788,564	8.27%	12.70%
2014	2,466,495,525	-6.56%	6.00%
2015	2,429,558,225	-1.50%	4.01%
2016	2,521,242,554	3.77%	7.11%
2017	2,692,808,772	6.80%	5.47%
2018	2,922,239,203	8.52%	6.88%
2019	3,118,477,426	6.72%	7.98%
2020	3,266,830,221	4.76%	7.63%

July 2012 Unincorporated New Construction Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	511,940,482	-	0.00%
2001	543,833,777	6.23%	0.00%
2002	715,260,251	31.52%	0.00%
2003	678,629,389	-5.12%	0.00%
2004	780,913,911	15.07%	0.00%
2005	1,012,943,672	29.71%	0.00%
2006	898,303,083	-11.32%	0.00%
2007	1,051,911,167	17.10%	0.00%
2008	938,271,172	-10.80%	0.00%
2009	821,583,000	-12.44%	0.00%
2010	304,665,097	-62.92%	0.00%
2011	267,511,475	-12.19%	0.00%
2012	180,324,673	-32.59%	0.00%
2013	169,419,515	-6.05%	-2.20%
2014	171,621,956	1.30%	7.76%
2015	155,780,377	-9.23%	-2.56%
2016	161,659,067	3.77%	15.91%
2017	172,659,688	6.80%	14.13%
2018	187,370,494	8.52%	15.66%
2019	199,953,055	6.72%	16.84%
2020	209,465,259	4.76%	16.46%

Notes:

1. Unincorporated new construction values are affected by annexations (see page 26)

July 2012 King County Sales and Use Taxbase Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	39,017,612,480	-	0.00%
2001	37,414,873,470	-4.11%	0.00%
2002	36,137,962,860	-3.41%	0.00%
2003	36,379,622,690	0.67%	0.00%
2004	38,521,409,960	5.89%	0.00%
2005	41,807,662,630	8.53%	0.00%
2006	45,401,665,730	8.60%	0.00%
2007	49,268,622,240	8.52%	0.00%
2008	47,440,908,710	-3.71%	0.00%
2009	40,783,082,660	-14.03%	0.00%
2010	40,506,885,020	-0.68%	0.00%
2011	42,349,096,619	4.55%	-2.17%
2012	43,971,499,305	3.83%	-0.77%
2013	45,893,374,057	4.37%	0.05%
2014	47,699,465,243	3.94%	-1.10%
2015	50,400,606,888	5.66%	-1.41%
2016	53,224,157,474	5.60%	-1.88%
2017	56,012,293,050	5.24%	-2.16%
2018	58,679,949,329	4.76%	-2.60%
2019	61,499,555,268	4.81%	-2.85%
2020	64,450,869,034	4.80%	-3.07%

July 2012 Local and Option Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	73,651,464	-	0.00%
2001	71,059,166	-3.52%	0.00%
2002	68,873,095	-3.08%	0.00%
2003	68,377,899	-0.72%	0.00%
2004	72,588,009	6.16%	0.00%
2005	78,015,175	7.48%	0.00%
2006	83,477,704	7.00%	0.00%
2007	91,912,631	10.10%	0.00%
2008	87,672,896	-4.61%	0.00%
2009	76,142,480	-13.15%	0.00%
2010	76,040,263	-0.13%	0.00%
2011	81,032,753	6.57%	0.00%
2012	81,151,045	0.15%	-0.59%
2013	83,790,694	3.25%	1.39%
2014	85,684,814	2.26%	-1.39%
2015	90,140,242	5.20%	0.84%
2016	95,190,092	5.60%	0.36%
2017	100,176,604	5.24%	0.07%
2018	104,947,642	4.76%	-0.38%
2019	109,990,437	4.81%	-0.64%
2020	115,269,652	4.80%	-0.86%

Notes:

1. Distribution is 1% of taxable sales in unincorporated KC and 0.15% of taxable sales in incorporated cities.
2. 2011 value includes approximately \$2M in one-time sales tax amnesty proceeds.
3. Forecasts for 2012-2014 are affected by annexations (see page 26)

July 2012 Metro Transit Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	239,636,459	-	0.00%
2001	287,784,746	20.09%	0.00%
2002	297,330,185	3.32%	0.00%
2003	296,747,992	-0.20%	0.00%
2004	314,192,142	5.88%	0.00%
2005	341,149,234	8.58%	0.00%
2006	367,263,689	7.65%	0.00%
2007	442,042,300	20.36%	0.00%
2008	432,934,213	-2.06%	0.00%
2009	376,904,266	-12.94%	0.00%
2010	375,199,114	-0.45%	0.00%
2011	399,483,215	6.47%	-0.01%
2012	405,674,260	1.55%	-0.85%
2013	423,405,180	4.37%	-0.03%
2014	440,067,898	3.94%	-1.18%
2015	464,988,214	5.66%	-1.48%
2016	491,037,855	5.60%	-1.95%
2017	516,760,763	5.24%	-2.23%
2018	541,372,148	4.76%	-2.67%
2019	567,385,397	4.81%	-2.93%
2020	594,613,762	4.80%	-3.15%

Notes:

1. Distribution is 0.9% of countywide taxable sales.
2. 2011 value includes approximately \$10M in one-time sales tax amnesty proceeds.

July 2012 Mental Health Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	0	-	-
2001	0	-	-
2002	0	-	-
2003	0	-	-
2004	0	-	-
2005	0	-	-
2006	0	-	-
2007	0	-	-
2008	35,564,904	-	-
2009	41,773,812	17.46%	0.00%
2010	40,717,980	-2.53%	0.00%
2011	43,099,478	5.85%	-0.02%
2012	44,599,012	3.48%	-1.95%
2013	46,130,831	3.43%	-2.03%
2014	47,946,267	3.94%	-3.16%
2015	50,661,384	5.66%	-3.45%
2016	53,499,544	5.60%	-3.91%
2017	Expires	-	-
2018	0	-	-
2019	0	-	-
2020	0	-	-

Notes:

1. Distribution is 0.1% of countywide taxable sales.
2. 2011 value includes approximately \$1.1M in one-time sales tax amnesty proceeds.

July 2012 Criminal Justice Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	11,822,590	-	0.00%
2001	10,958,675	-7.31%	0.00%
2002	10,485,286	-4.32%	0.00%
2003	10,390,862	-0.90%	0.00%
2004	11,026,405	6.12%	0.00%
2005	12,054,054	9.32%	0.00%
2006	12,988,932	7.76%	0.00%
2007	14,229,175	9.55%	0.00%
2008	12,973,186	-8.83%	0.00%
2009	11,086,865	-14.54%	0.00%
2010	10,916,264	-1.54%	0.00%
2011	10,722,121	-1.78%	-0.01%
2012	10,019,246	-6.56%	-0.72%
2013	9,912,786	-1.06%	1.85%
2014	9,834,694	-0.79%	-1.68%
2015	10,088,768	2.58%	-4.84%
2016	10,653,963	5.60%	1.71%
2017	11,212,068	5.24%	4.78%
2018	11,746,057	4.76%	4.31%
2019	12,310,462	4.81%	4.04%
2020	12,901,231	4.80%	3.80%

Notes:

1. Distribution is 0.1% of countywide sales allocated 10% to counties and 90% by population to cities/counties.
2. 2011 value includes approximately \$0.3M in one-time sales tax amnesty proceeds.
3. Forecasts for 2012-2014 are affected by annexations (see page 26)

July 2012 Hotel Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	13,939,448	-	0.00%
2001	13,611,349	-2.35%	0.00%
2002	12,783,520	-6.08%	0.00%
2003	13,073,624	2.27%	0.00%
2004	14,280,262	9.23%	0.00%
2005	15,702,164	9.96%	0.00%
2006	18,233,040	16.12%	0.00%
2007	20,493,338	12.40%	0.00%
2008	20,701,685	1.02%	0.00%
2009	16,892,478	-18.40%	0.00%
2010	18,044,615	6.82%	0.00%
2011	18,629,250	3.24%	0.00%
2012	19,755,479	6.05%	2.58%
2013	18,647,321	-5.61%	-10.99%
2014	19,080,898	2.33%	-12.08%
2015	19,282,083	1.05%	-13.12%
2016	19,929,318	3.36%	-11.56%
2017	20,244,261	1.58%	-11.72%
2018	20,587,921	1.70%	-11.85%
2019	20,938,657	1.70%	-11.93%
2020	21,306,158	1.76%	-12.01%

Notes:

1. Distribution is 2% of taxable sales on accommodations within King County.
2. Forecast for 2013 and beyond adjusts for removal of the 2% King County tax inside the City of Bellevue.

July 2012 Rental Car Sales Tax Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	2,689,109	-	0.00%
2001	2,502,191	-6.95%	0.00%
2002	2,406,111	-3.84%	0.00%
2003	2,433,438	1.14%	0.00%
2004	2,355,887	-3.19%	0.00%
2005	2,529,917	7.39%	0.00%
2006	2,735,846	8.14%	0.00%
2007	2,835,416	3.64%	0.00%
2008	2,835,443	0.00%	0.00%
2009	2,651,750	-6.48%	0.00%
2010	2,737,771	3.24%	0.00%
2011	2,642,169	-3.49%	0.00%
2012	2,735,049	3.52%	0.67%
2013	2,792,674	2.11%	0.75%
2014	2,826,616	1.22%	0.79%
2015	2,847,538	0.74%	0.50%
2016	2,872,515	0.88%	0.63%
2017	2,891,170	0.65%	0.58%
2018	2,908,608	0.60%	0.54%
2019	2,924,917	0.56%	0.52%
2020	2,940,825	0.54%	0.49%

Notes:

1. Distribution is 1% of taxable sales on rental cars within King County.

July 2012 Real Estate Excise Tax (REET 1) Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	-	-	-
2001	5,872,198	-	0.00%
2002	6,793,174	15.68%	0.00%
2003	8,543,814	25.77%	0.00%
2004	9,903,161	15.91%	0.00%
2005	11,288,087	13.98%	0.00%
2006	11,710,069	3.74%	0.00%
2007	9,202,858	-21.41%	0.00%
2008	4,912,082	-46.62%	0.00%
2009	3,809,800	-22.44%	0.00%
2010	3,647,888	-4.25%	0.00%
2011	3,293,751	-9.71%	0.00%
2012	3,026,619	-8.11%	-1.34%
2013	3,201,235	5.77%	16.30%
2014	2,811,643	-12.17%	-7.70%
2015	2,834,183	0.80%	8.11%
2016	2,869,445	1.24%	10.63%
2017	2,612,205	-8.96%	4.80%
2018	2,626,441	0.54%	4.42%
2019	2,668,276	1.59%	3.87%
2020	2,731,792	2.38%	3.58%

Notes:

1. Distribution is 0.25% of taxable real estate sales in unincorporated King County.
2. King County also collects REET 2 (another identical 0.25%, not shown here).
3. Forecasts for 2012-2014 are affected by annexations (see page 26).

July 2012 Investment Pool Nominal Rate of Return Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	6.38%	-	0.00%
2001	5.57%	-0.81%	0.00%
2002	3.80%	-1.76%	0.00%
2003	2.92%	-0.88%	0.00%
2004	2.31%	-0.61%	0.00%
2005	3.15%	0.84%	0.00%
2006	4.68%	1.53%	0.00%
2007	5.09%	0.40%	0.00%
2008	3.30%	-1.79%	0.00%
2009	1.76%	-1.54%	0.00%
2010	0.96%	-0.79%	0.00%
2011	0.62%	-0.34%	0.00%
2012	0.45%	-0.17%	0.15%
2013	0.35%	-0.10%	0.05%
2014	0.35%	0.00%	0.05%
2015	0.45%	0.10%	0.15%
2016	1.32%	0.87%	0.01%
2017	2.11%	0.79%	-0.06%
2018	2.78%	0.66%	-0.05%
2019	3.27%	0.50%	-0.04%
2020	3.64%	0.37%	-0.04%

Notes:

1. Values are nominal annual returns for the King County investment pool.

July 2012 Investment Pool Real Rate of Return Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	2.58%	-	0.00%
2001	1.87%	-0.71%	0.00%
2002	1.83%	-0.04%	0.00%
2003	1.31%	-0.51%	0.00%
2004	1.05%	-0.26%	0.00%
2005	0.32%	-0.73%	0.00%
2006	0.95%	0.63%	0.00%
2007	1.16%	0.21%	0.00%
2008	-0.87%	-2.03%	0.00%
2009	1.17%	2.04%	0.00%
2010	0.66%	-0.50%	0.00%
2011	-2.00%	-2.67%	0.00%
2012	-1.75%	0.25%	0.55%
2013	-1.69%	0.06%	0.13%
2014	-2.08%	-0.38%	-0.04%
2015	-1.99%	0.08%	0.09%
2016	-1.06%	0.93%	0.05%
2017	-0.29%	0.77%	0.03%
2018	0.29%	0.59%	-0.01%
2019	0.75%	0.45%	0.00%
2020	1.10%	0.35%	0.00%

Notes:

1. Values are real annual returns for the King County investment pool using STB CPI-U to adjust nominal values.

July 2012 National CPI-U Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	3.36%	-	0.00%
2001	2.85%	-0.52%	0.00%
2002	1.58%	-1.26%	0.00%
2003	2.28%	0.70%	0.00%
2004	2.66%	0.38%	0.00%
2005	3.39%	0.72%	0.00%
2006	3.23%	-0.16%	0.00%
2007	2.85%	-0.38%	0.00%
2008	3.84%	0.99%	0.00%
2009	-0.36%	-4.20%	0.00%
2010	1.64%	2.00%	0.00%
2011	3.16%	1.52%	0.00%
2012	2.09%	-1.07%	-0.15%
2013	1.95%	-0.14%	-0.15%
2014	2.37%	0.42%	0.10%
2015	2.35%	-0.02%	0.02%
2016	2.26%	-0.08%	-0.07%
2017	2.18%	-0.08%	-0.07%
2018	2.33%	0.15%	-0.01%
2019	2.33%	-0.01%	0.00%
2020	2.34%	0.01%	0.02%

Notes:

1. Series CUUR0000SAO. Values are annual growth.

July 2012 Sept-to-Sept National CPI-W Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	3.46%	-	0.00%
2001	2.58%	-0.88%	0.00%
2002	1.26%	-1.32%	0.00%
2003	2.26%	1.00%	0.00%
2004	2.43%	0.17%	0.00%
2005	5.18%	2.75%	0.00%
2006	1.74%	-3.43%	0.00%
2007	2.77%	1.02%	0.00%
2008	5.42%	2.65%	0.00%
2009	-1.68%	-7.10%	0.00%
2010	1.41%	3.09%	0.00%
2011	4.38%	2.97%	0.00%
2012	1.68%	-2.70%	-0.11%
2013	2.34%	0.67%	-0.25%
2014	2.51%	0.17%	0.15%
2015	2.62%	0.11%	0.05%
2016	2.36%	-0.27%	-0.11%
2017	2.34%	-0.02%	-0.10%
2018	2.47%	0.13%	-0.02%
2019	2.48%	0.00%	-0.01%
2020	2.49%	0.01%	0.03%

Notes:

1. Series CWUR0000SAO. Values are percent change from September of previous year to September of tax year.

July 2012 Seattle Annual CPI-U Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	3.70%	-	0.00%
2001	3.63%	-0.08%	0.00%
2002	1.94%	-1.69%	0.00%
2003	1.58%	-0.35%	0.00%
2004	1.25%	-0.34%	0.00%
2005	2.82%	1.58%	0.00%
2006	3.70%	0.87%	0.00%
2007	3.88%	0.18%	0.00%
2008	4.20%	0.32%	0.00%
2009	0.58%	-3.62%	0.00%
2010	0.29%	-0.29%	0.00%
2011	2.68%	2.38%	0.00%
2012	2.35%	-0.33%	-0.58%
2013	2.14%	-0.21%	-0.07%
2014	2.50%	0.36%	0.09%
2015	2.55%	0.05%	0.04%
2016	2.47%	-0.08%	-0.06%
2017	2.43%	-0.03%	-0.07%
2018	2.49%	0.06%	-0.06%
2019	2.54%	0.05%	-0.03%
2020	2.56%	0.01%	0.00%

Notes:

1. Series CUURA423SAO. Values are annual growth.

July 2012 June-June Average Seattle CPI-W Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	3.33%	-	0.00%
2001	4.02%	0.69%	0.00%
2002	2.44%	-1.58%	0.00%
2003	1.63%	-0.81%	0.00%
2004	1.33%	-0.30%	0.00%
2005	2.33%	1.00%	0.00%
2006	3.41%	1.08%	0.00%
2007	3.83%	0.41%	0.00%
2008	4.50%	0.67%	0.00%
2009	1.98%	-2.52%	0.00%
2010	0.62%	-1.36%	0.00%
2011	1.81%	1.19%	0.00%
2012	3.26%	1.45%	0.37%
2013	2.07%	-1.19%	-0.08%
2014	2.38%	0.32%	0.11%
2015	2.46%	0.07%	0.06%
2016	2.39%	-0.07%	-0.02%
2017	2.33%	-0.05%	-0.06%
2018	2.35%	0.02%	-0.04%
2019	2.40%	0.05%	-0.03%
2020	2.41%	0.00%	-0.04%

Notes:

1. Series CWURA423SAO. Values are the average of the six most recent July-June tax year values less the average of the six prior July-June values.

July 2012 Outyear COLA Comparison Forecast Office of Economic and Financial Analysis

Year	Old COLA	New COLA	Diff
2011	2.00%	0.00%	-2.00%
2012	3.94%	1.63%	-2.31%
2013	2.00%	3.09%	1.09%
2014	2.11%	1.96%	-0.15%
2015	2.26%	2.26%	0.00%
2016	2.36%	2.33%	-0.03%
2017	2.12%	2.27%	0.14%
2018	2.11%	2.22%	0.11%
2019	2.23%	2.23%	0.01%
2020	2.23%	2.28%	0.05%

The "New" COLA:

2011 0%

2012 90% of the average annual change in the Seattle CPI-W from July 2010 to June 2011; 0% floor, no ceiling

2013 95% of the average annual change in the Seattle CPI-W from July 2011 to June 2012; 0% floor, no ceiling

2014 95% of the average annual change in the Seattle CPI-W from July 2012 to June 2013; 0% floor, no ceiling

2015 and beyond we assume the same 95% of the Seattle CPI-W, however this IS NOT currently contracted for

The "Old" COLA:

2011 90% of the annual change in the September 2009 to September 2010 National CPI-W; 2% floor, 6% ceiling

2012 90% of the annual change in the September 2010 to September 2011 National CPI-W; 2% floor, 6% ceiling

2013 90% of the annual change in the September 2011 to September 2012 National CPI-W; 2% floor, 6% ceiling

2014 90% of the annual change in the September 2012 to September 2013 National CPI-W; 2% floor, 6% ceiling

2015 and beyond we assume the same 90% of the National CPI-W, however this IS NOT currently contracted for

July 2012 Pharmaceuticals PPI Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	0.00%	-	0.00%
2001	0.00%	0.00%	0.00%
2002	9.77%	9.77%	0.00%
2003	3.74%	-6.03%	0.00%
2004	2.74%	-0.99%	0.00%
2005	6.76%	4.02%	0.00%
2006	11.02%	4.26%	0.00%
2007	4.58%	-6.45%	0.00%
2008	6.87%	2.29%	0.00%
2009	6.74%	-0.13%	0.00%
2010	-0.06%	-6.80%	0.00%
2011	-5.02%	-4.96%	0.00%
2012	2.91%	7.93%	1.83%
2013	5.49%	2.58%	-2.18%
2014	6.89%	1.40%	-0.89%
2015	7.69%	0.80%	-0.16%
2016	6.79%	-0.90%	-0.21%
2017	6.46%	-0.33%	-0.23%
2018	6.31%	-0.15%	-0.06%
2019	5.53%	-0.78%	-0.10%
2020	6.02%	0.49%	-0.02%

Notes:

1. Series PCU446110446110. Values are annual growth.

July 2012 Transportation CPI Forecast
Office of Economic and Financial Analysis

Tax Year	Value	Annual Growth	Change from March 2012 Forecast
2000	6.19%	-	0.00%
2001	0.60%	-5.59%	0.00%
2002	-0.90%	-1.50%	0.00%
2003	3.07%	3.98%	0.00%
2004	3.52%	0.44%	0.00%
2005	6.63%	3.11%	0.00%
2006	4.00%	-2.63%	0.00%
2007	2.11%	-1.88%	0.00%
2008	5.88%	3.77%	0.00%
2009	-8.33%	-14.22%	0.00%
2010	7.89%	16.22%	0.00%
2011	9.81%	1.92%	0.00%
2012	1.13%	-8.68%	-1.13%
2013	0.49%	-0.64%	-1.16%
2014	2.85%	2.36%	0.91%
2015	2.05%	-0.81%	0.01%
2016	1.63%	-0.41%	-0.08%
2017	1.06%	-0.57%	0.24%
2018	1.15%	0.09%	0.40%
2019	1.16%	0.01%	0.33%
2020	1.14%	-0.02%	0.33%

Notes:

1. Series CUUR0000SAT. Values are annual growth.

July 2012 Lundberg Retail Gas Forecast
Office of Economic and Financial Analysis

Quarter	Value	YOY Change	Change from March 2012 Forecast
Q4 2010	\$3.05	-	0.00%
Q1 2011	\$3.39	-	0.00%
Q2 2011	\$3.92	-	0.00%
Q3 2011	\$3.78	-	-0.64%
Q4 2011	\$3.67	20.39%	-3.19%
Q1 2012	\$3.74	10.32%	-5.90%
Q2 2012	\$4.13	5.36%	-5.34%
Q3 2012	\$3.72	-1.63%	2.34%
Q4 2012	\$3.58	-2.59%	3.98%
Q1 2013	\$3.58	-4.34%	2.02%
Q2 2013	\$3.88	-6.16%	7.36%
Q3 2013	\$3.67	-1.23%	8.30%
Q4 2013	\$3.52	-1.64%	10.09%
Q1 2014	\$3.56	-0.62%	6.35%
Q2 2014	\$3.94	1.72%	7.38%
Q3 2014	\$3.71	1.09%	7.44%
Q4 2014	\$3.52	0.07%	9.21%
Q1 2015	\$3.56	0.25%	5.26%
Q2 2015	\$3.96	0.44%	7.67%
Q3 2015	\$3.74	0.78%	8.49%
Q4 2015	\$3.59	2.00%	9.76%

July 2012 Diesel & Gasoline Dollar per Gallon Forecasts
Office of Economic and Financial Analysis

Year	Diesel	Annual Change	Gasoline	Annual Change
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	\$3.05	-	\$2.75	-
2013	\$3.20	4.70%	\$2.77	1.00%
2014	\$3.26	1.81%	\$2.72	-1.95%
2015	\$3.24	-0.57%	\$2.72	0.05%
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-

Notes:

1. Forecast generated by Linwood Capital, LLC.
2. Prices are stated in wholesale terms.

July 2012 Recorded Documents Forecast
Office of Economic and Financial Analysis

Quarter	Value	YOY Change	Change from March 2012 Forecast
Q4 2010	148,450	-	0.00%
Q1 2011	130,756	-	0.00%
Q2 2011	108,706	-	0.00%
Q3 2011	114,594	-	0.00%
Q4 2011	125,487	-15.47%	0.00%
Q1 2012	123,328	-5.68%	0.00%
Q2 2012	137,544	26.53%	0.00%
Q3 2012	128,358	12.01%	-10.12%
Q4 2012	122,305	-2.54%	-7.40%
Q1 2013	115,450	-6.39%	-5.94%
Q2 2013	129,326	-5.97%	-3.74%
Q3 2013	125,245	-2.43%	-1.89%
Q4 2013	120,485	-1.49%	-0.50%
Q1 2014	114,965	-0.42%	0.53%
Q2 2014	129,170	-0.12%	1.76%
Q3 2014	125,336	0.07%	2.79%
Q4 2014	120,725	0.20%	3.50%
Q1 2015	115,249	0.25%	4.61%
Q2 2015	129,554	0.30%	5.76%
Q3 2015	125,745	0.33%	6.77%
Q4 2015	121,135	0.34%	7.50%

Annexation Assumptions:

Area	Date Annexed	2012 Population Est.
Eastgate	06/01/12	5,024
North Highline Y	04/01/13	17,629
Renton West Hill	04/01/14	15,853
Klahanie	04/01/14	10,815

Property tax adjustments:

The Unincorporated Area Assessed Value and New Construction Forecasts have been adjusted for the annexations listed above. (Pages 4 & 5)

Sales tax Adjustments:

The Local Option and Criminal Justice Sales Tax Forecasts have been adjusted for the annexations listed above. (Pages 7 & 10)
In addition, all sales tax forecasts have adjusted for delinquent payments, include amnesty payments in outyears and deduct the 1% DOR admin fee. These forecasts are presented on accrual basis. (Pages 7 thru 10)

REET Adjustments:

REET data presents 0.25% of King County's 0.50% real estate tax. (Page 13)
The REET Forecast has been adjusted for the annexations listed above.

Investment Pool Real Rate of Return:

The Investment Pool Real Rate of Return Forecast is deflated by the Seattle CPI-U from page 18. Series CUURA423SAO.